



'Freight Forwarder/Customs Broker-Customer Relationship Moving from Transactional to Solutions'

There are several moving parts impacting COVID-hit global supply chains with higher costs and longer lead times - including the demand and supply of vessel capacity, ports congestion, schedule reliability, manpower and equipment shortages - which are difficult for government authorities to control or legislate change.

The situation is leading to a change in behaviour of shippers whereby a solutions-driven approach is necessary to maintain supply chain resilience.

Today's *The Loadstar* article [A perfect supply chain storm: 'we must hunker down, collaborate and ride it out'](#) highlights this situation and the changing market landscape of shippers dealing with logistics provider moving from transactional to developing solutions to make their supply chains more resilient.

Extract

The system had been "hit from all sides" and taxed as never before. Past supply chain problems usually involved one aspect, like transport or supplies, but the current crisis had multiple facets, she added.

Over the past 18 months, supply chain strategies have undergone a sea change from just-in-time, with an emphasis on cost reduction, to building more resilient supply chains better geared to withstand shocks.

However, in today's overburdened transport system, every disruption has a long tail and the disruptions keep coming.

Improved visibility built on better data flow does not address particular problems, or help speed up the supply chain, but it helps with forecasting and business planning, and it has become a differentiator in the logistics industry.

The challenges of the past 18 months have engendered a significantly higher degree of collaboration. Before Covid-19, clients were pushing their dealings with logistics providers into a transactional nature, but this has completely changed, relegating the pricing aspect to an afterthought; the emphasis is on developing solutions.

Shippers and importers have been trying a variety of strategies to minimise risk and make their supply chains more resilient. Increased inventory has been one major trend, although this is harder to achieve these days.

It remains to be seen if this is the best solution in terms of how they use their cash, but for a lot of companies, supply chain disruption threatens significant reputational harm.

The scope and complexity of the challenges currently taxing the system are beyond the reach of government entities, let alone individual companies. Players will have to keep navigating through these difficult circumstances.

"There is no silver bullet,". Faced with ongoing problems in an over-stretched logistics infrastructure, there is little choice but to hunker down, collaborate and ride it out.

The current global supply chain conditions are particularly challenging for IFCBAA members and their customers to navigate.

If there is a positive to emerge from the current circumstances, it will be a move away from the transactional price driven 'race to the bottom' customer relationship, to an emphasis on the freight forwarder/Customs broker's expertise in providing international transportation and border clearance solutions.

IFCBAA will continue to exclusively represent and champion the interests of freight forwarders and licenced customs brokers.

IFCBAA Team